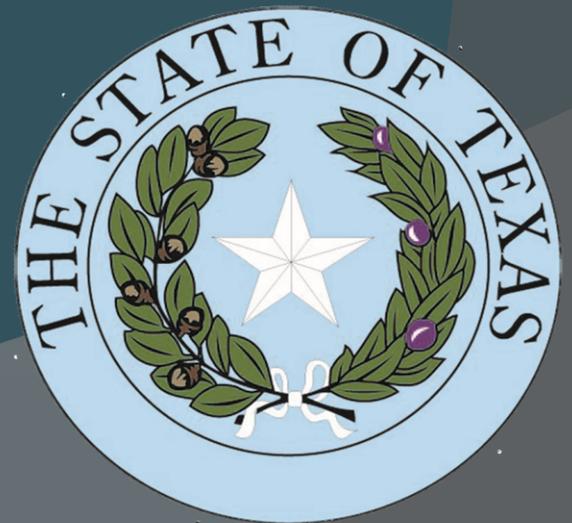


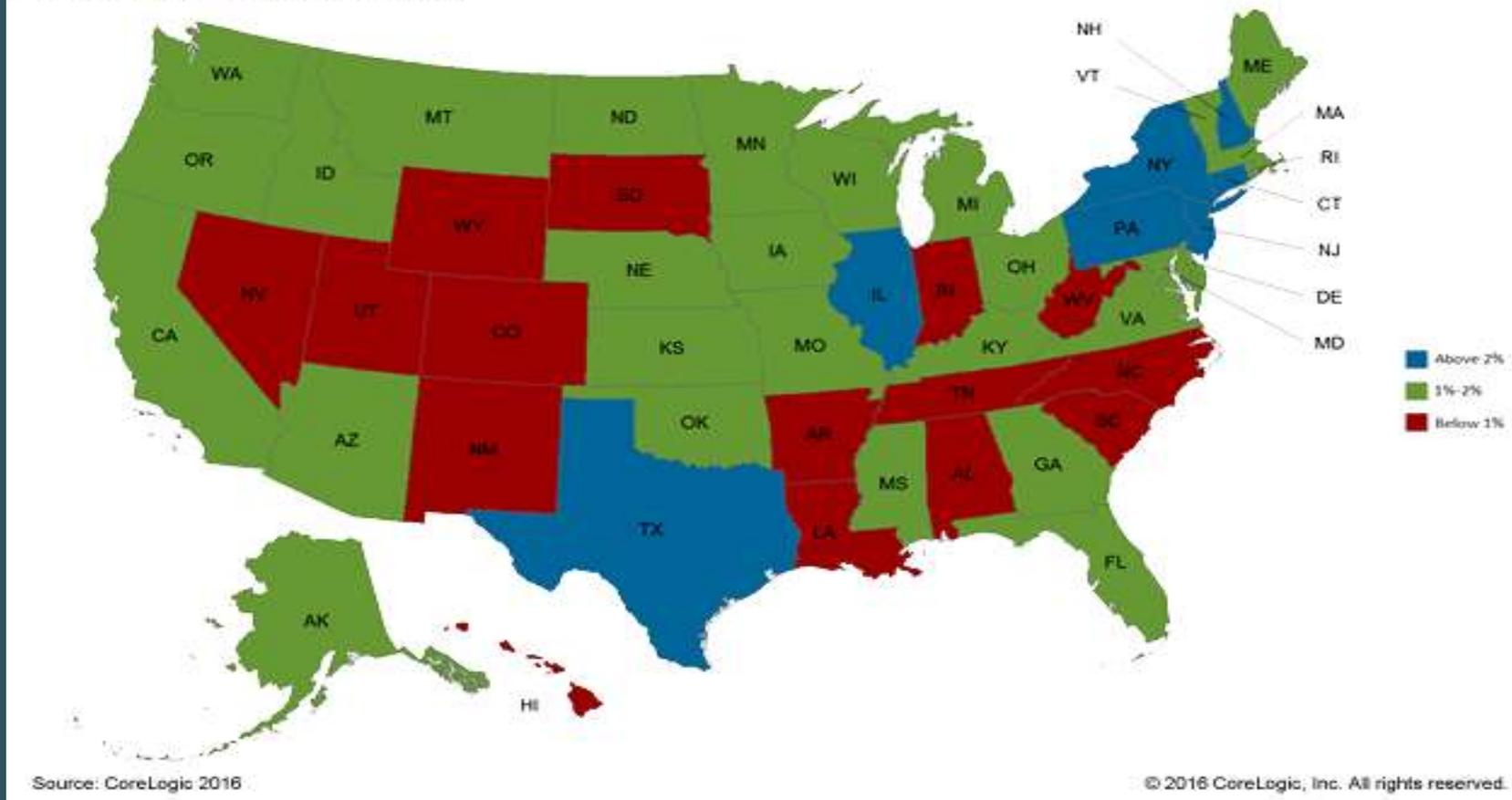
Senate Select Committee for Property Tax Reform & Relief



LOCAL TAX BURDENS NATIONALLY

Texas has one of the highest property tax burdens in the country, with a median property tax rate of \$2.17 per \$100 in property value. Only 4 states have a higher median tax rate.

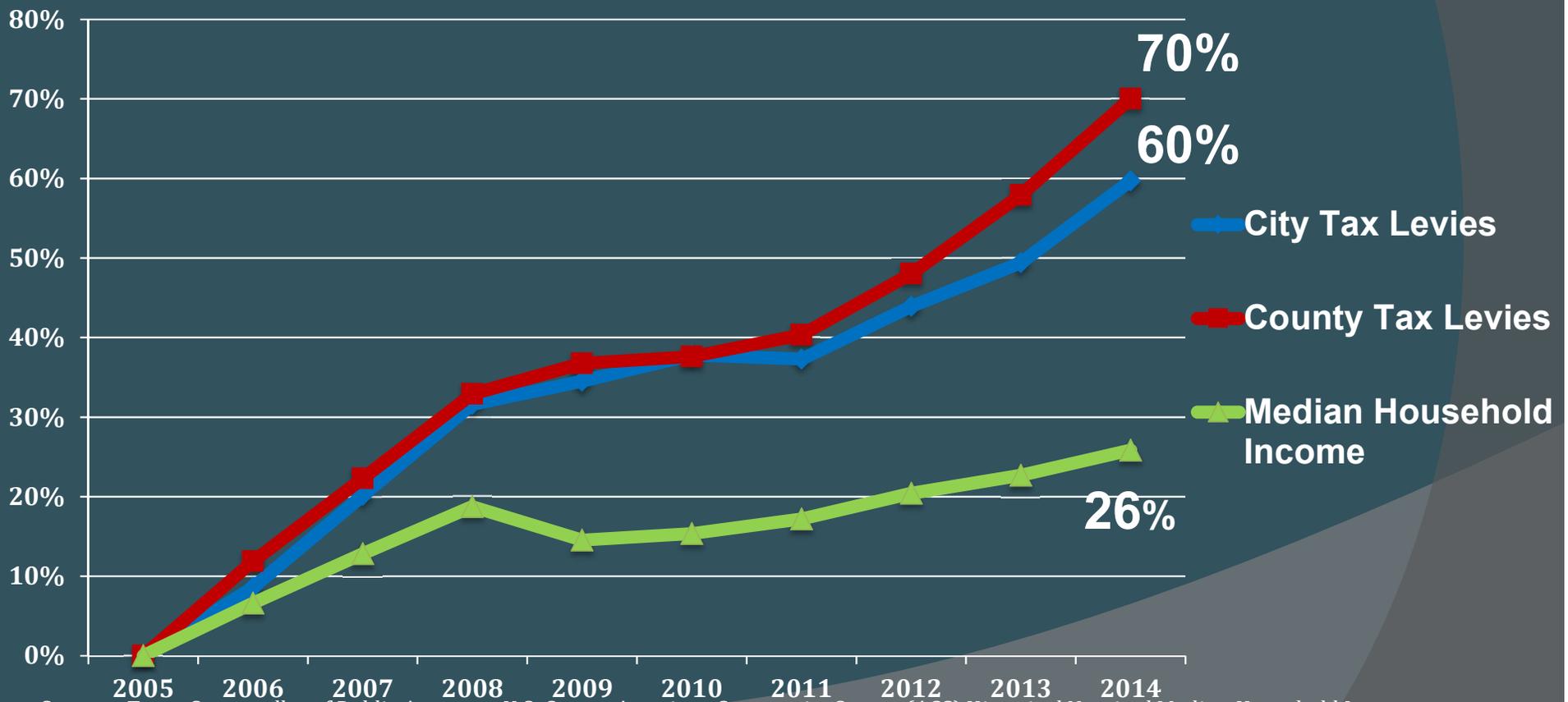
Figure 2: Media Property Tax Rates



Sources: CoreLogic, via Dallas Morning News

LOCAL TAXES VS. HOUSEHOLD INCOMES Statewide

Since 2005, city and county property tax levies have increased much faster than median household incomes

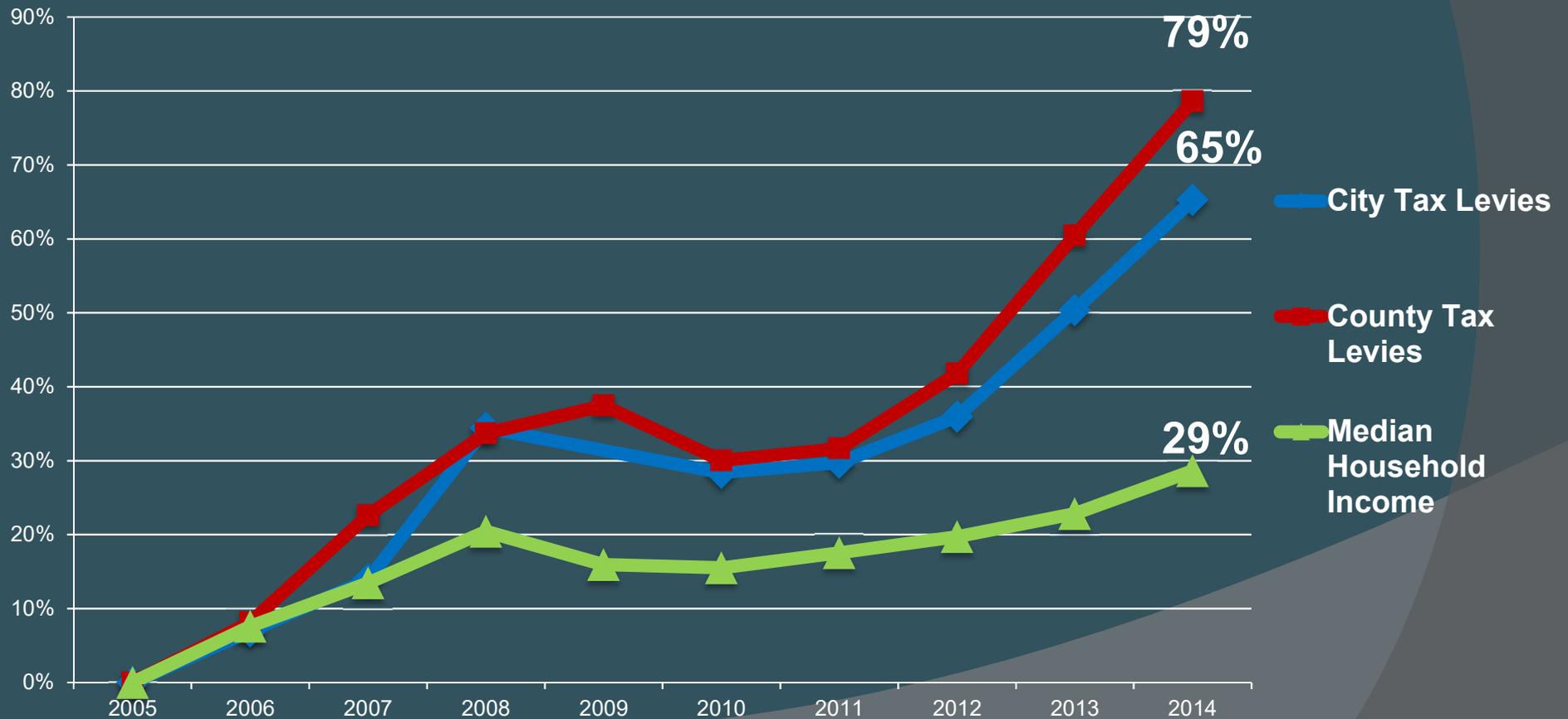


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

Houston/ Harris County

Since 2005, city and county property tax levies have increased much faster than median household incomes

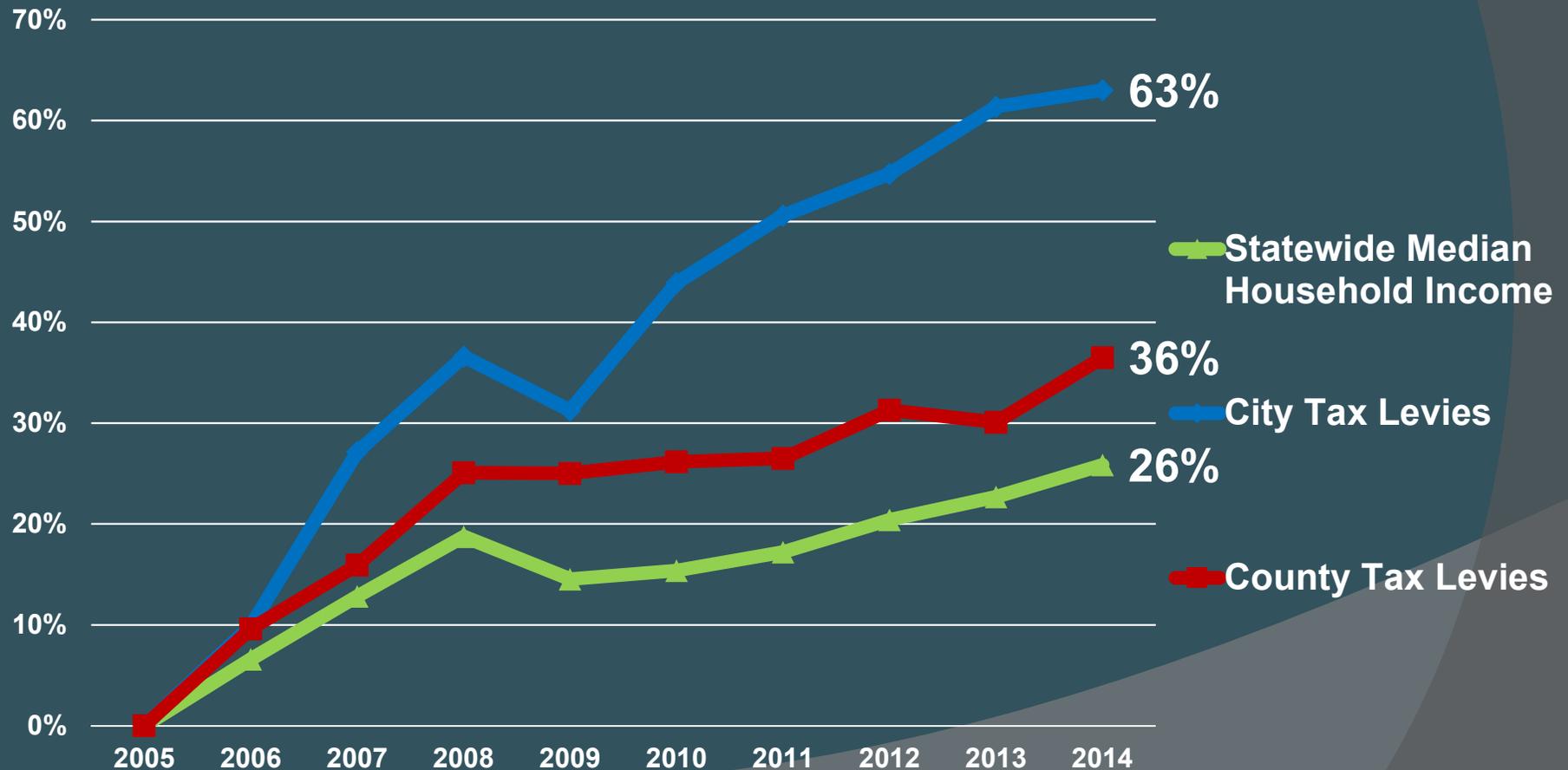


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

Galveston/ Galveston County

Since 2005, city and county property tax levies have increased much faster than median household incomes

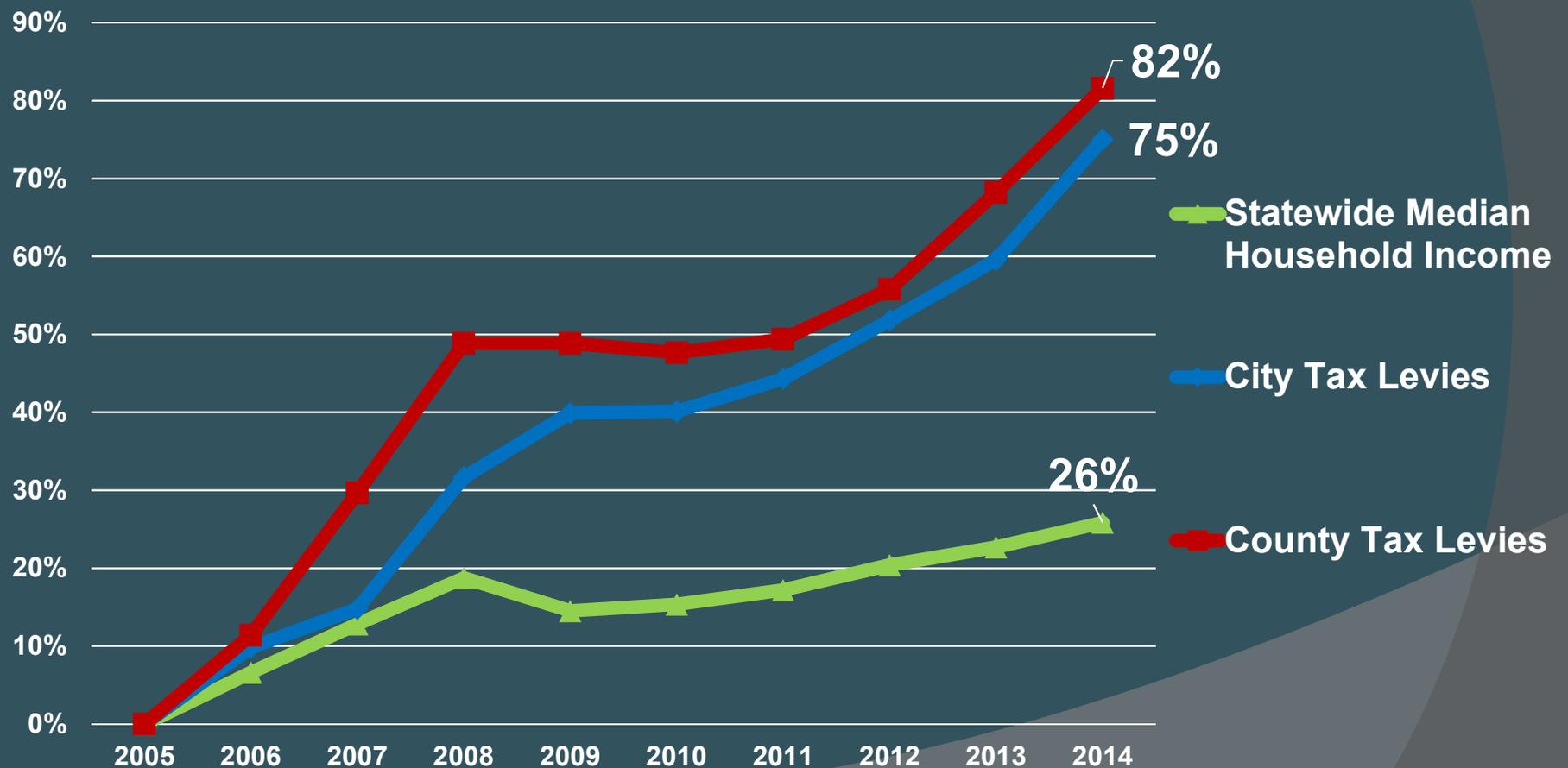


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

Sugar Land/ Fort Bend County

Since 2005, city and county property tax levies have increased much faster than median household incomes

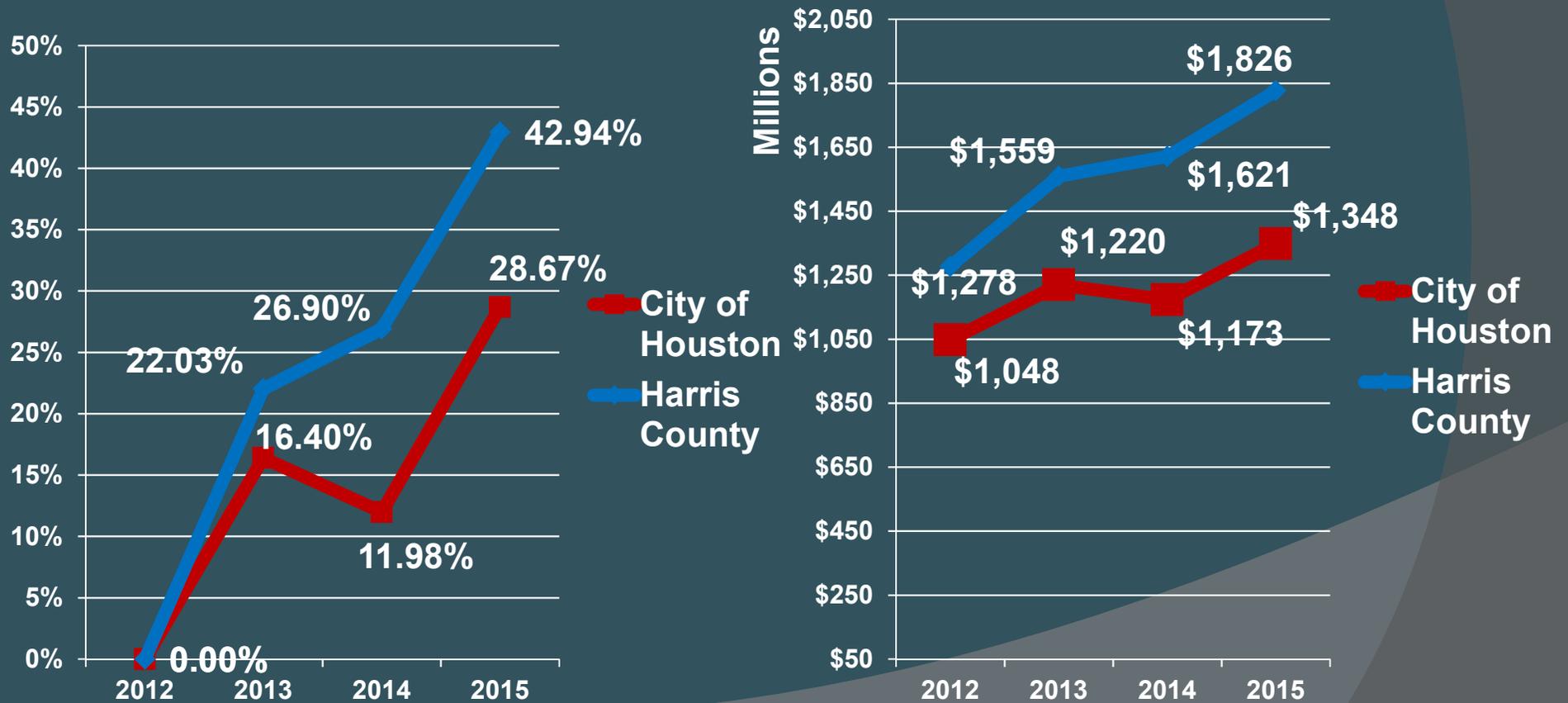


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

INCREASES IN TAX LEVIES 2012-2015

City of Houston and Harris County

Since 2012, the City of Houston's property tax levy has increased just over 28% and Harris County's property tax levy has increased just over 42%.

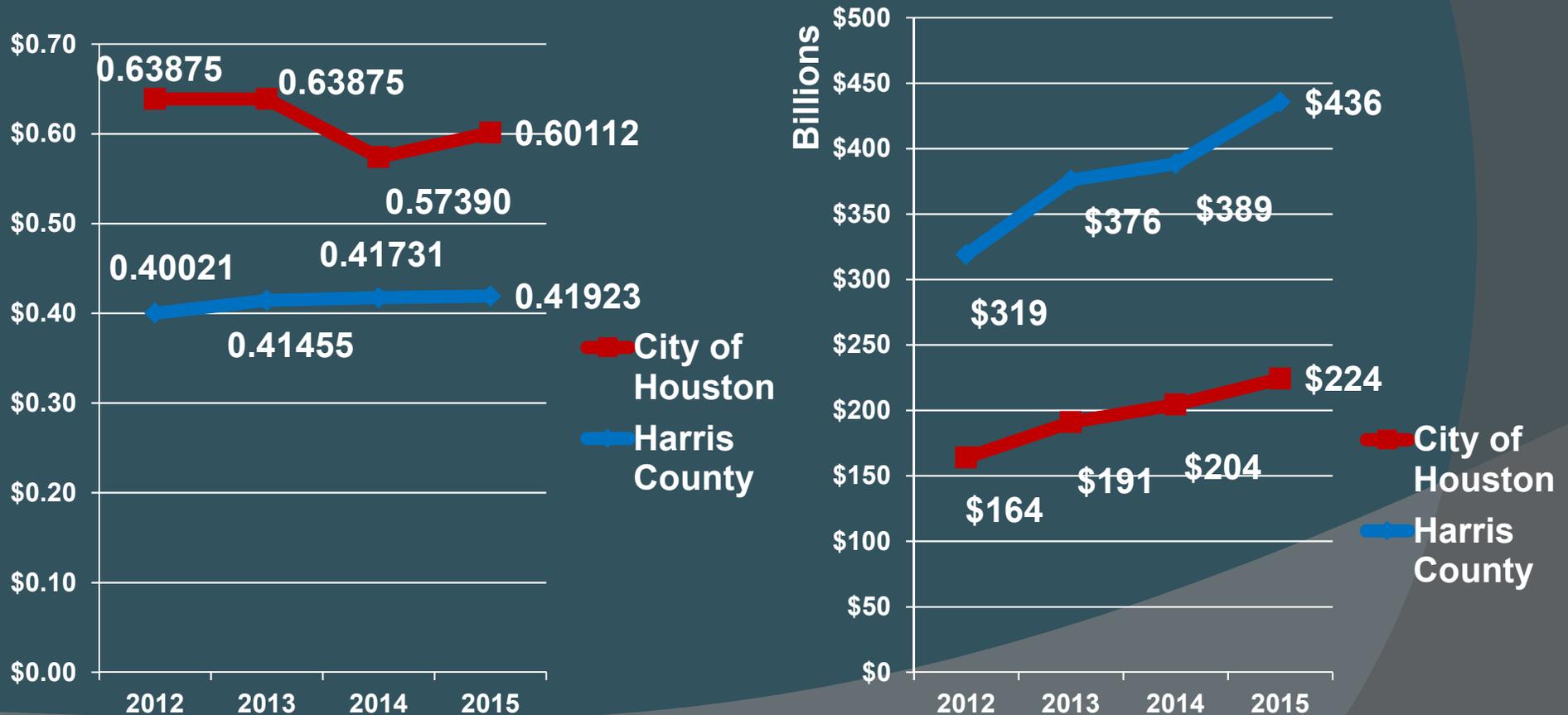


Source: Property value and tax rate data provided by Harris County Appraisal District; Tax levies calculated by committee staff using CAD data. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

TAXABLE VALUES AND TAX RATES 2012-2015

City of Houston and Harris County

Since 2012, the City of Houston's taxable property value has increased by \$60 billion and the taxable property value of Harris County has increased by \$117 billion. Harris County's tax rate has gone up by almost 2 cents, and the City of Houston's has fallen by just over 3.5 cents.

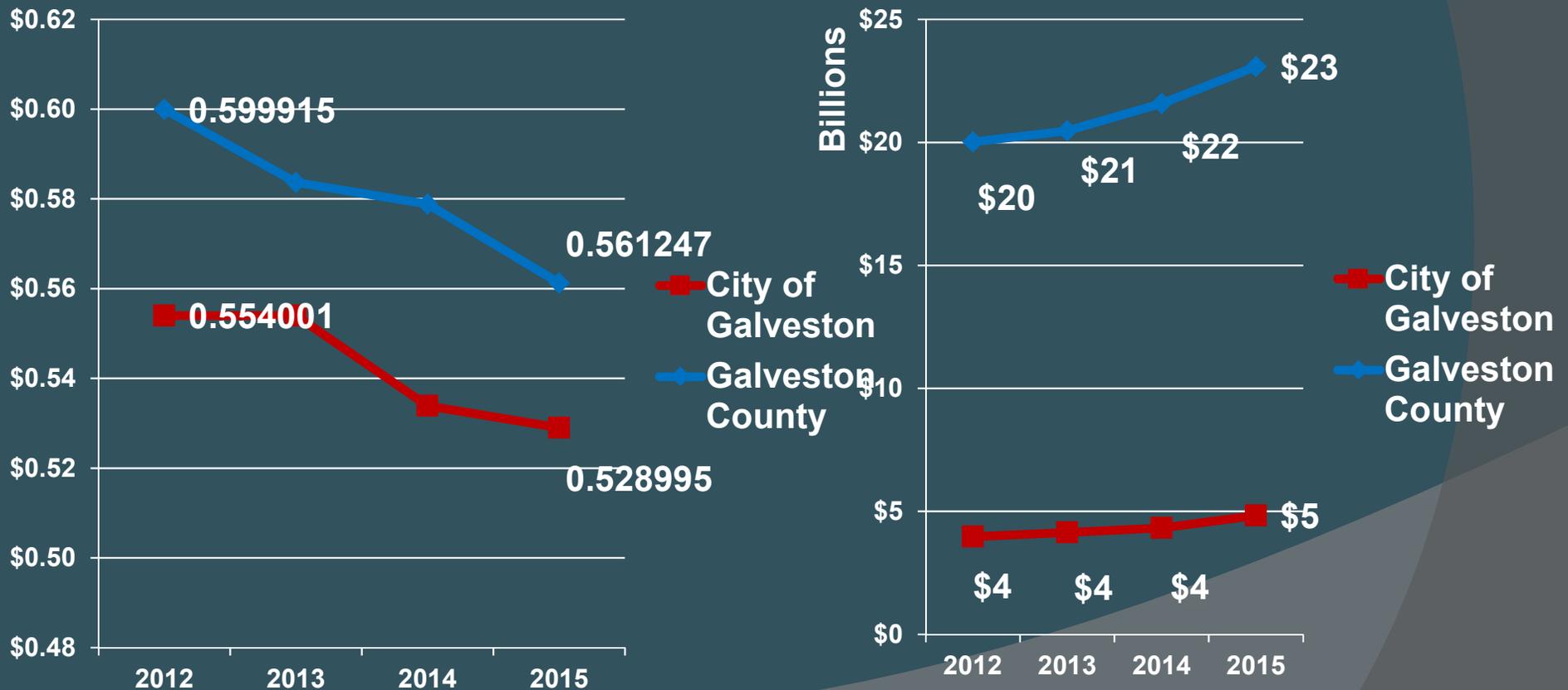


Source: Property value and tax rate data provided by Harris County Appraisal District.

TAXABLE VALUES AND TAX RATES 2012-2015

City of Galveston and Galveston County

Since 2012, the City of Galveston's taxable property value has increased by \$1 billion and the taxable property value of Galveston County has increased by \$3 billion. Galveston County's tax rate has fallen by almost 4 cents, and the City of Galveston's has fallen by just over 2.5 cents.

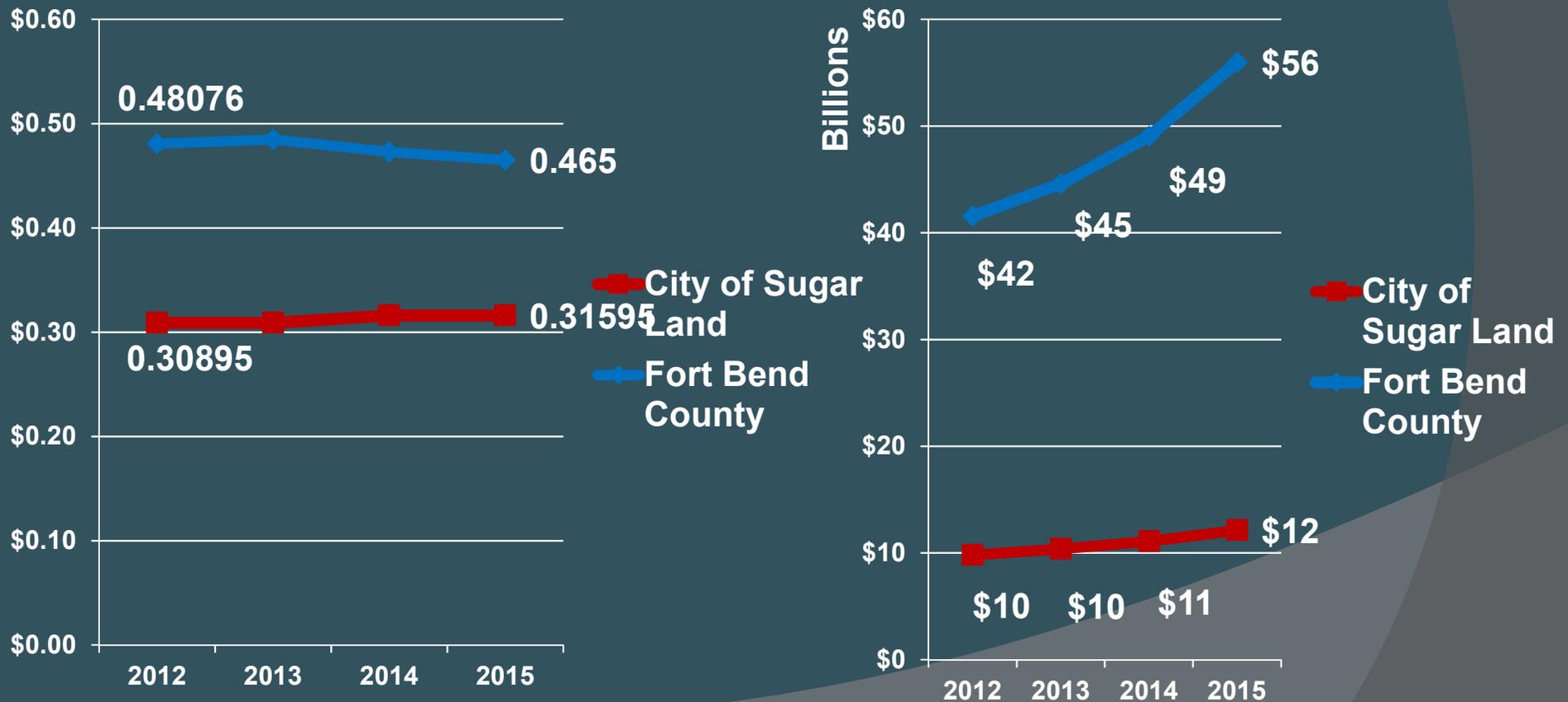


Source: Property value and tax rate data provided by Galveston County Appraisal District.

TAXABLE VALUES AND TAX RATES 2012-2015

City of Sugar Land and Fort Bend County

Since 2012, the City of Sugar Land's taxable property value has increased by 2 billion and the taxable property value of Fort Bend County has increased by \$14 billion. Fort Bend County's tax rate has fallen by just over 1.5 cents, and the City of Sugar Land's has increased by almost 1 cent.



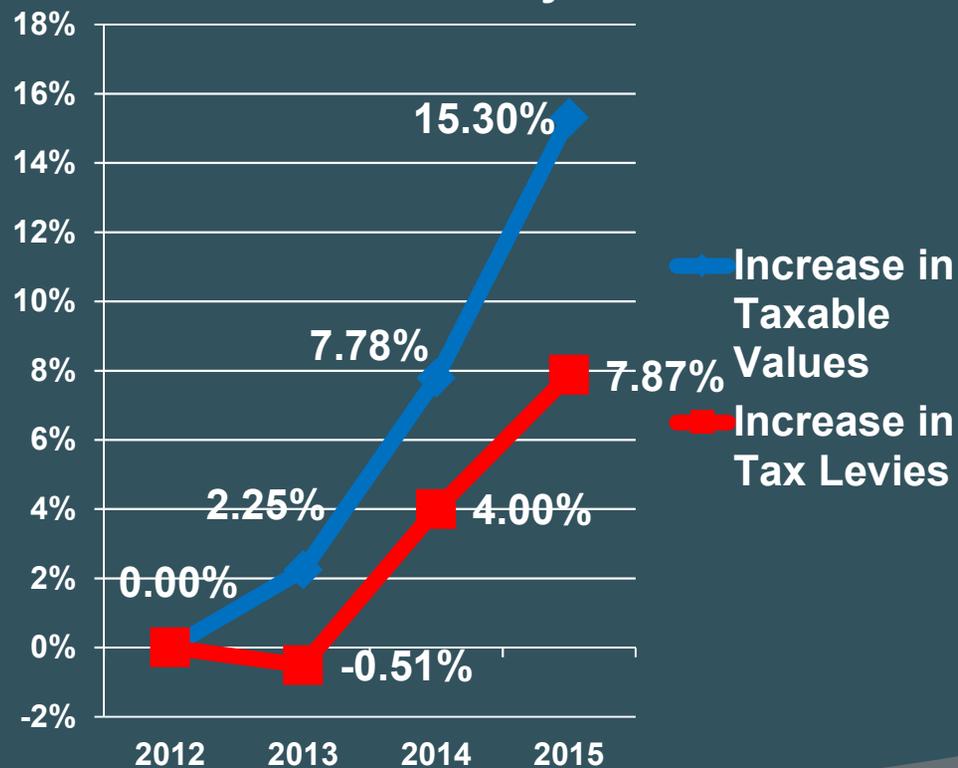
Source: Property value and tax rate data provided by Fort Bend County Appraisal District.

INCREASES IN TAXABLE VALUES AND TAX LEVIES

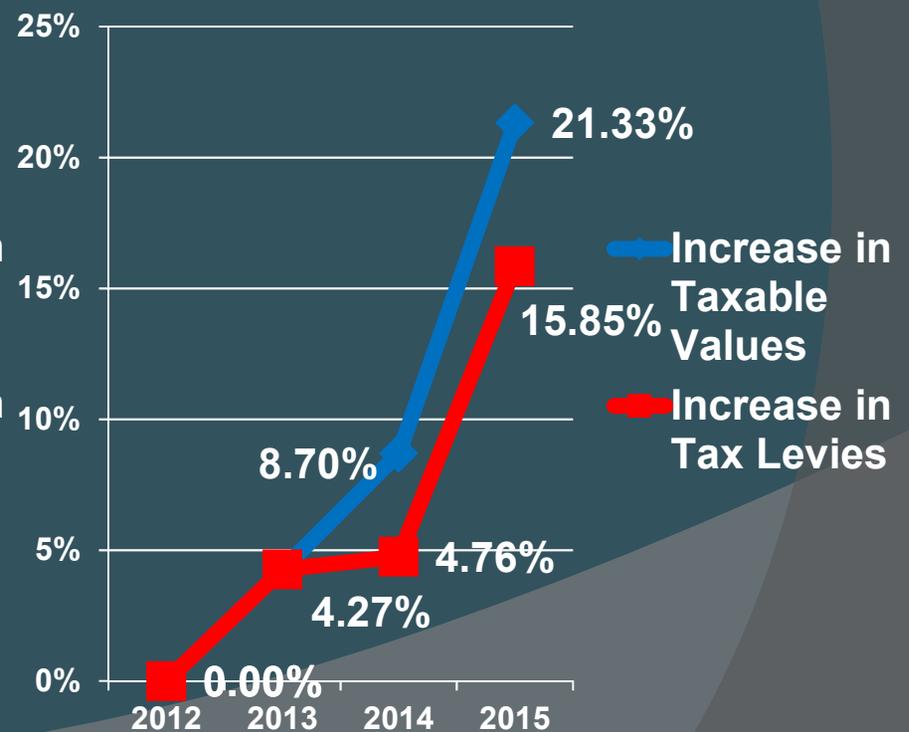
Galveston and Galveston County

The City of Galveston's taxable values and tax levies have both risen by more than 15% since 2012. The City of Galveston's taxable values have risen just over 15% and its tax levies have risen by almost 8% in the same time period.

Galveston County



City of Galveston



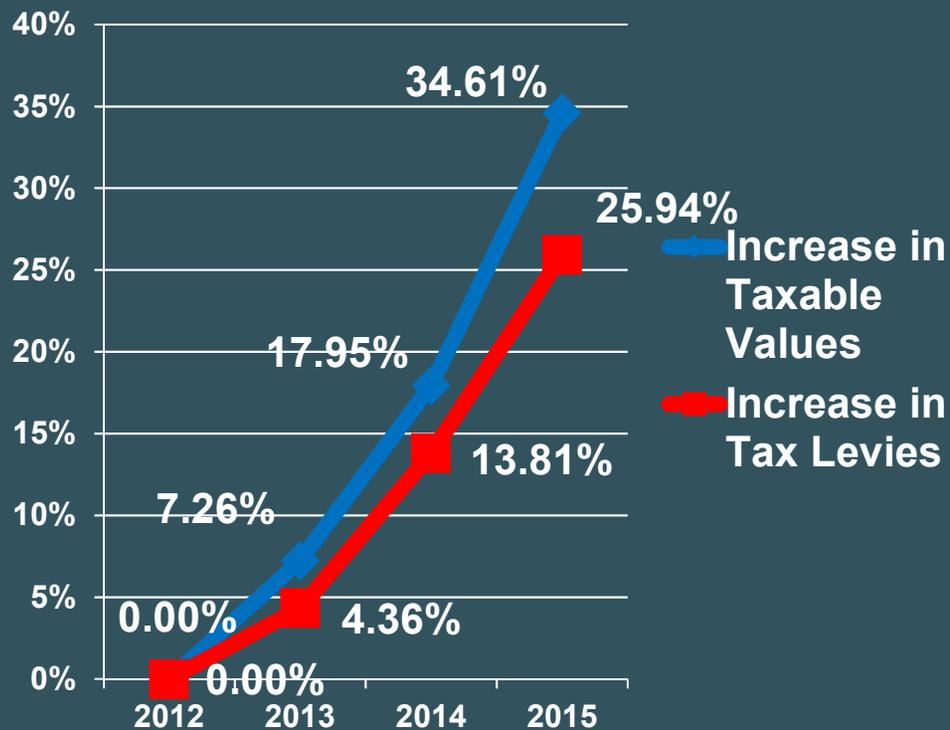
Source: Property value and tax rate data provided by Galveston County Appraisal District.

INCREASES IN TAXABLE VALUES AND TAX LEVIES

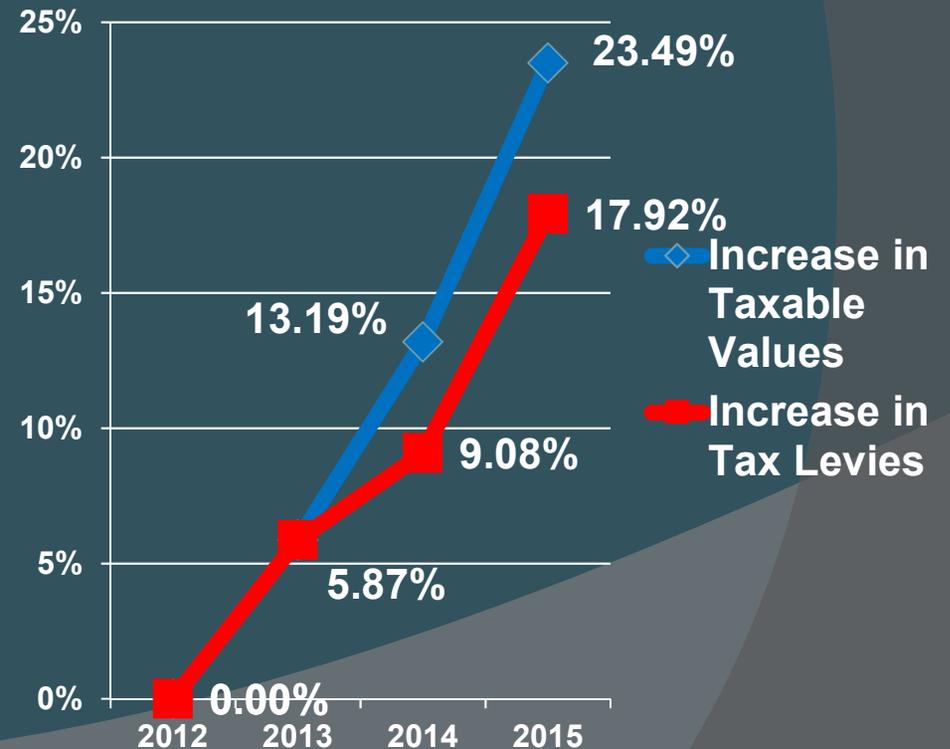
Sugar Land and Fort Bend County

The City of Sugar Land's taxable values have risen by more than 23% since 2012, and its tax levies have increase by almost 18%. The Fort Bend County's taxable values have risen just over 34% and its tax levies have risen by almost 26% in the same time period.

Fort Bend County



City of Sugar Land

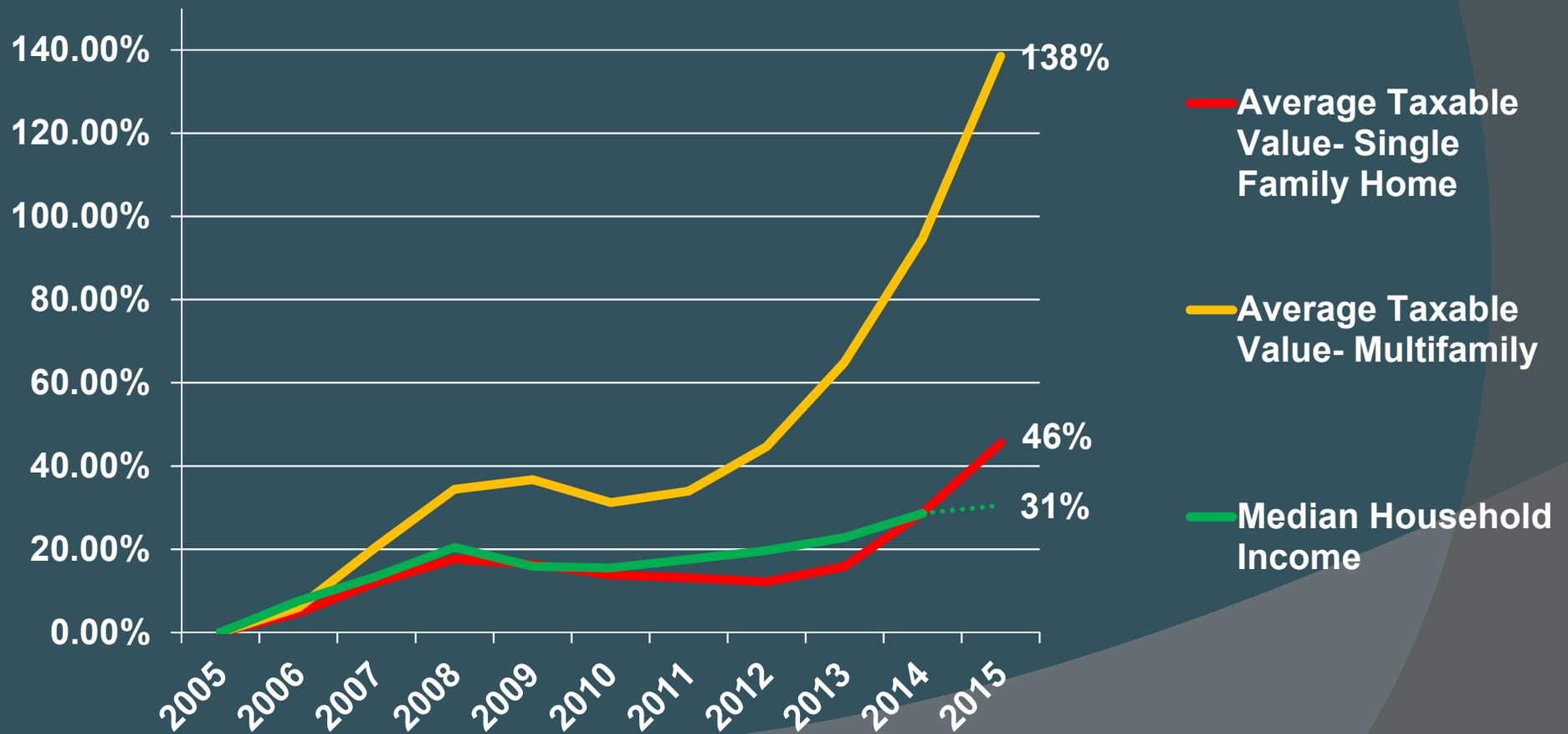


Source: Property value and tax rate data provided by Galveston County Appraisal District.

TAXABLE VALUES VS HOUSEHOLD INCOMES

Harris County

Since 2005, taxable values for both single family and multifamily housing have increased faster than household median income.

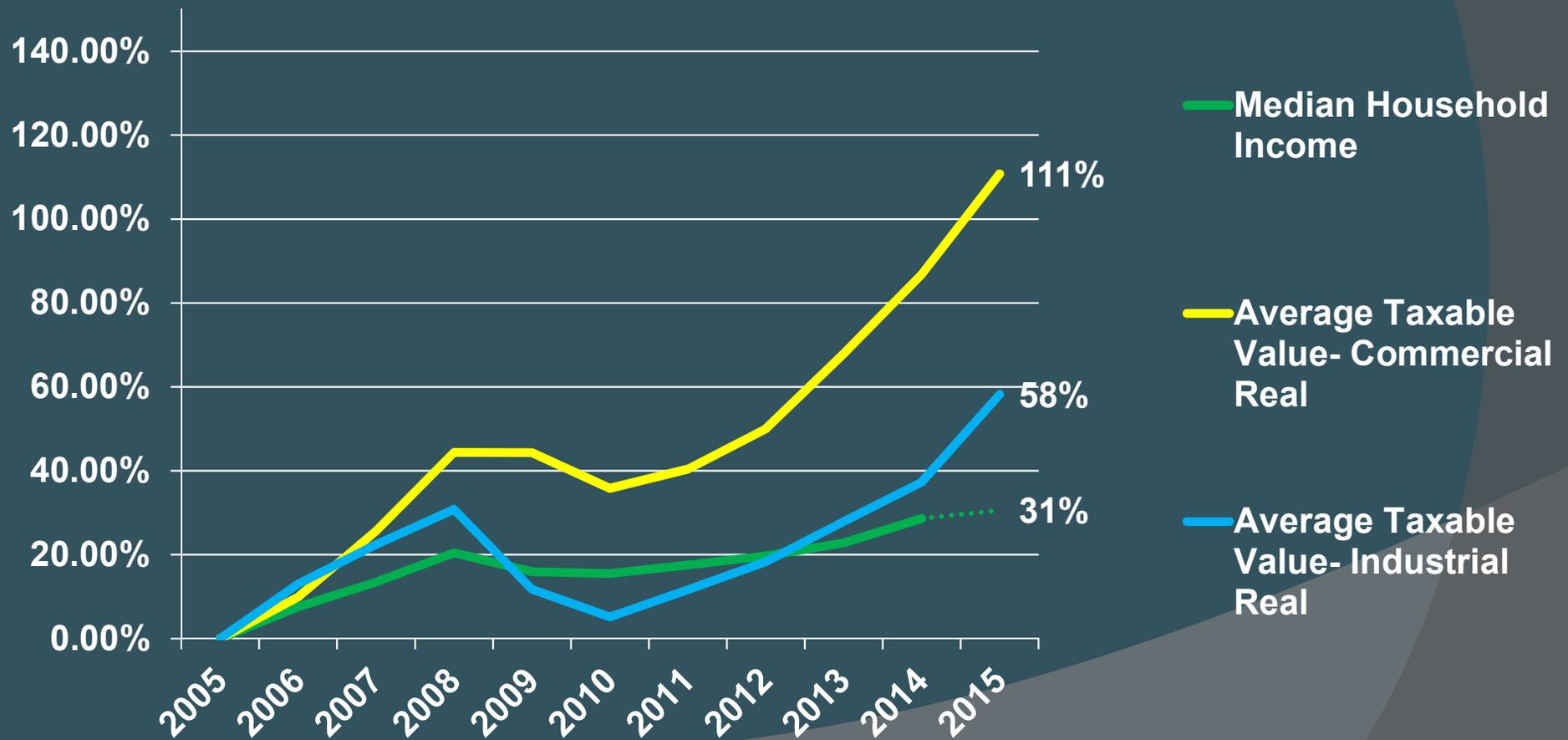


Sources: Harris County Appraisal District; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

TAXABLE VALUES VS HOUSEHOLD INCOMES

Harris County

Since 2005, taxable values for both commercial and industrial properties have increased faster than household median income.

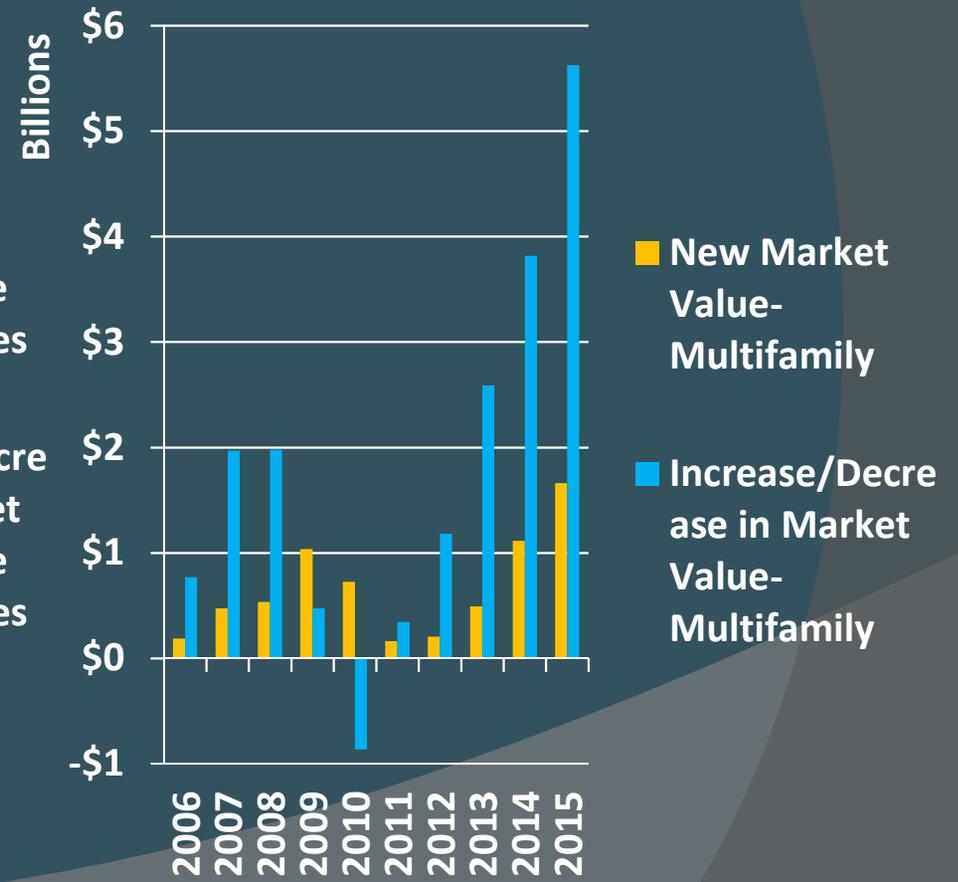
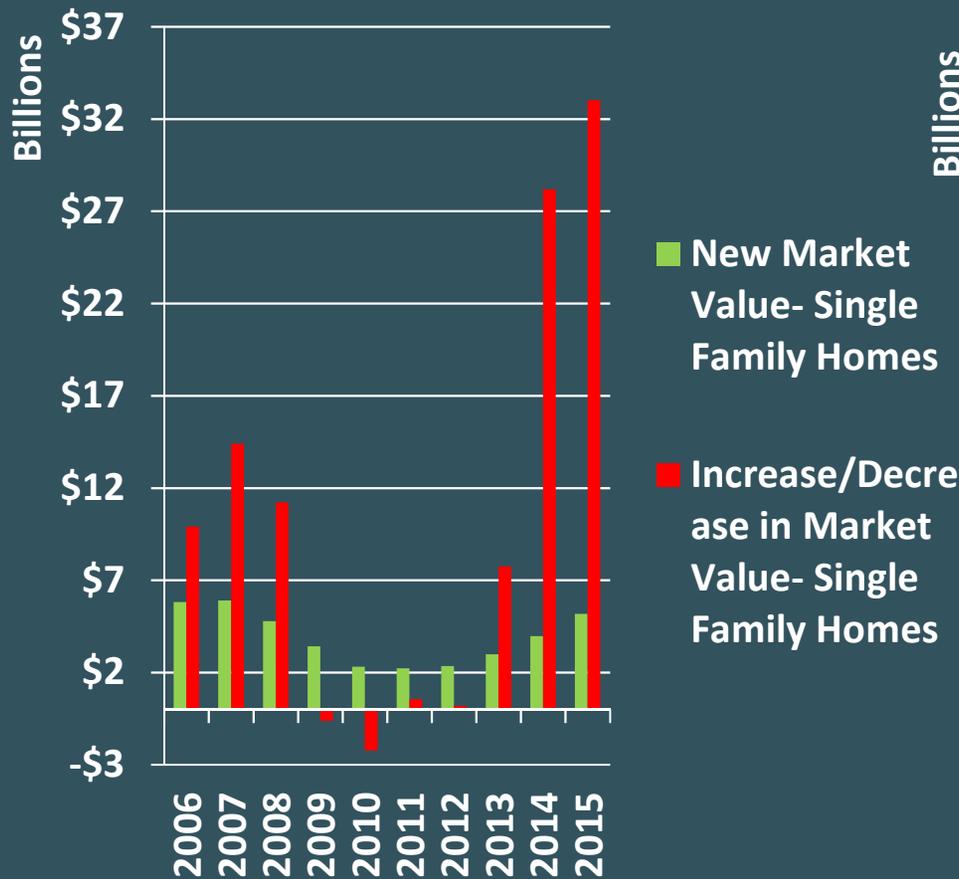


Sources: Harris County Appraisal District; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

NEW VALUE AS A PART OF INCREASING VALUES

Harris County

In the last 3 years, the vast majority of the increase in the market value for both single family homes and multifamily housing has been due to increasing appraisals on existing properties.



Sources: Harris County Appraisal District

City Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	City Taxes Levied	City Levy as a % of Total Levy	Annual % change in City Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$4,415,212,819	15.28%	5.46%	5.76%
2004	\$30,973,635,241	\$4,607,757,531	14.88%	4.36%	7.20%
2005	\$33,478,989,315	\$4,901,791,597	14.64%	6.38%	8.09%
2006	\$35,552,907,030	\$5,322,985,519	14.97%	8.59%	6.19%
2007	\$35,114,596,621	\$5,890,306,731	16.77%	10.66%	-1.23%
2008	\$38,979,969,545	\$6,451,012,447	16.55%	9.52%	11.01%
2009	\$40,034,355,798	\$6,593,755,037	16.47%	2.21%	2.70%
2010	\$40,275,451,155	\$6,755,401,406	16.77%	2.45%	0.60%
2011	\$40,515,816,942	\$6,810,049,306	16.81%	0.81%	0.60%
2012	\$42,748,637,566	\$7,069,533,905	16.54%	3.81%	5.51%
2013	\$45,266,928,108	\$7,324,521,932	16.18%	3.61%	5.89%
2014	\$49,067,216,670	\$7,789,068,440	15.87%	6.34%	8.40%
		<u>Percentage Change 2003-2014</u>		76.41%	

County Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	County Taxes Levied	County Levy as a % of Total Levy	Annual % change in County Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$4,121,758,950	14.27%	7.07%	5.76%
2004	\$30,973,635,241	\$4,462,844,074	14.41%	8.28%	7.20%
2005	\$33,478,989,315	\$4,772,652,208	14.26%	6.94%	8.09%
2006	\$35,552,907,030	\$5,339,613,542	15.02%	11.88%	6.19%
2007	\$35,114,596,621	\$5,836,989,949	16.62%	9.31%	-1.23%
2008	\$38,979,969,545	\$6,342,704,903	16.27%	8.66%	11.01%
2009	\$40,034,355,798	\$6,526,724,060	16.30%	2.90%	2.70%
2010	\$40,275,451,155	\$6,567,069,864	16.31%	0.62%	0.60%
2011	\$40,515,816,942	\$6,742,912,786	16.64%	2.68%	0.60%
2012	\$42,748,637,566	\$7,064,659,174	16.53%	4.77%	5.51%
2013	\$45,266,928,108	\$7,537,749,427	16.65%	6.70%	5.89%
2014	\$49,067,216,670	\$8,114,998,194	16.54%	7.66%	8.40%
		<u>Percentage Change 2003-2014</u>		96.88%	

Special District Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	Special District Taxes Levied	Special District Levy as a % of Total Levy	Annual % change in Special District Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$3,092,285,295	10.70%	7.95%	5.76%
2004	\$30,973,635,241	\$3,369,068,834	10.88%	8.95%	7.20%
2005	\$33,478,989,315	\$3,609,629,697	10.78%	7.14%	8.09%
2006	\$35,552,907,030	\$3,972,185,910	11.17%	10.04%	6.19%
2007	\$35,114,596,621	\$4,513,060,409	12.85%	13.62%	-1.23%
2008	\$38,979,969,545	\$4,952,734,969	12.71%	9.74%	11.01%
2009	\$40,034,355,798	\$5,133,820,497	12.82%	3.66%	2.70%
2010	\$40,275,451,155	\$5,392,511,510	13.39%	5.04%	0.60%
2011	\$40,515,816,942	\$4,926,074,010	12.16%	-8.65%	0.60%
2012	\$42,748,637,566	\$5,543,422,374	12.97%	12.53%	5.51%
2013	\$45,266,928,108	\$5,318,507,423	11.75%	-4.06%	5.89%
2014	\$49,067,216,670	\$6,370,469,864	12.98%	19.78%	8.40%
		<u>Percentage Change 2003-2014</u>		106.01%	

School Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	School Taxes Levied	School Levy as a % of Total Levy	Annual % change in School Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$17,264,153,972	59.75%	5.15%	5.76%
2004	\$30,973,635,241	\$18,533,964,802	59.84%	7.36%	7.20%
2005	\$33,478,989,315	\$20,194,915,813	60.32%	8.96%	8.09%
2006	\$35,552,907,030	\$20,918,122,059	58.84%	3.58%	6.19%
2007	\$35,114,596,621	\$18,874,239,532	53.75%	-9.77%	-1.23%
2008	\$38,979,969,545	\$21,233,517,226	54.47%	12.50%	11.01%
2009	\$40,034,355,798	\$21,780,056,204	54.40%	2.57%	2.70%
2010	\$40,275,451,155	\$21,558,289,126	53.53%	-1.02%	0.60%
2011	\$40,515,816,942	\$22,001,561,060	54.31%	2.06%	0.60%
2012	\$42,748,637,566	\$23,072,781,962	53.97%	4.87%	5.51%
2013	\$45,266,928,108	\$24,854,671,461	54.91%	7.72%	5.89%
2014	\$49,067,216,670	\$26,792,677,172	54.60%	7.80%	8.40%
		<u>Percentage Change 2003-2014</u>		55.19%	

How is your Property Tax Bill Calculated?

Appraised Value X Tax Rate = Tax Bill

If your property is appraised at \$200,000, and your tax rate is the statewide average of \$2.50 per \$100 of property value:

Then \$200,000 X \$2.50/\$100 = \$5,000

If your appraised value goes up by 10% to \$220,000 but the tax rate stays the same:

Then \$220,000 X \$2.50/\$100 = \$5,500

That's a \$500 or 10% increase in your taxes!

In order to keep your taxes from increasing if your appraised value goes up 10%, the tax rate needs to be cut by 12.5% to \$2.227:

Then \$220,000 X \$2.227 /\$100 = \$5,000

How does the Homestead Exemption affect your ISD Property Tax bill?

Appraised Value – Homestead exemption = Assessed Value

Then

Assessed Value X Tax Rate = ISD Tax Bill

If your home is appraised at \$200,000 and the Homestead Exemption for independent school district (ISD) taxes is \$25,000:

Then \$200,000 - \$25,000 = \$175,000 Assessed Value

With an Assessed Value of \$175,000 at the average independent school district (ISD) tax rate of \$1.25 per \$100 of property value:

Then \$175,000 X \$1.25/\$100 = \$2,187 ISD Tax Bill

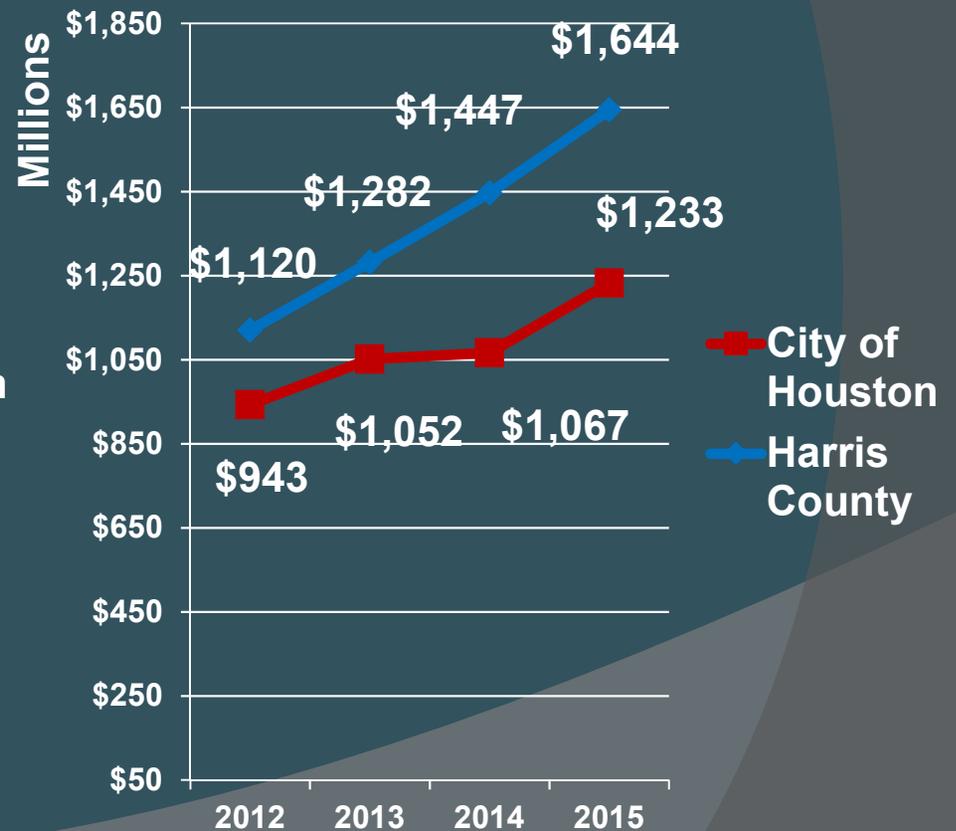
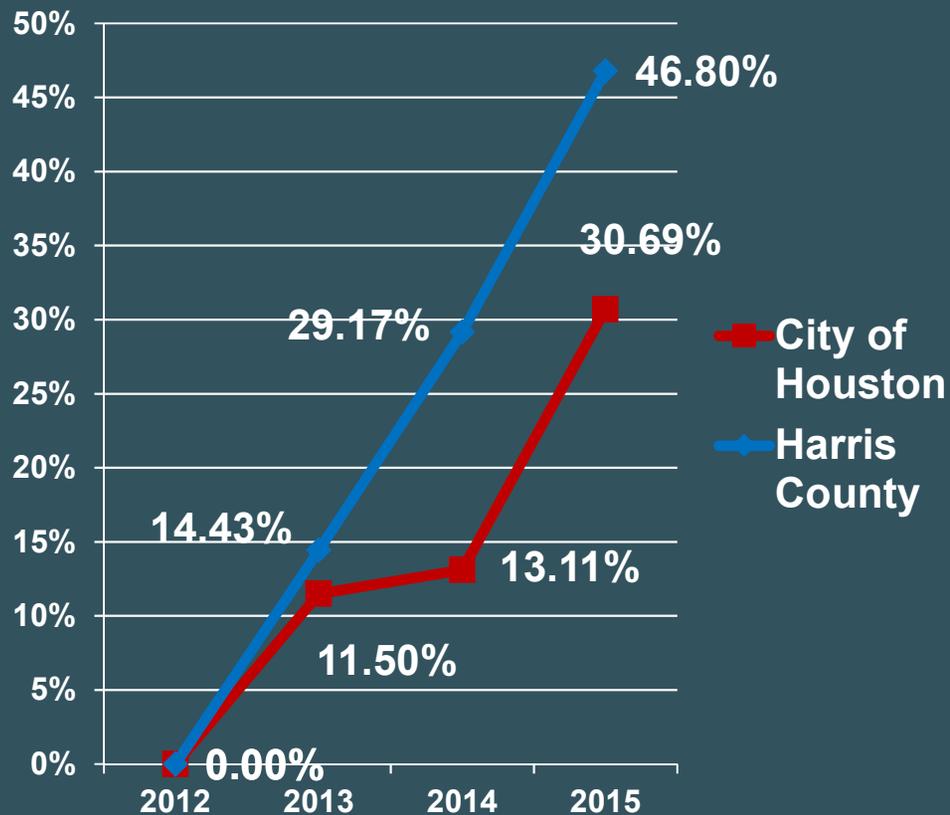
Without the Homestead exemption:

\$200,000 X \$1.25/\$100 = \$2,500 School ISD Tax Bill, a \$313 difference

TRUTH IN TAXATION: INCREASES IN TAX LEVIES 2012-2015

City of Houston and Harris County

Since 2012, the City of Houston's property tax levy has increased almost 31% and Harris County's property tax levy has increased over 46%.



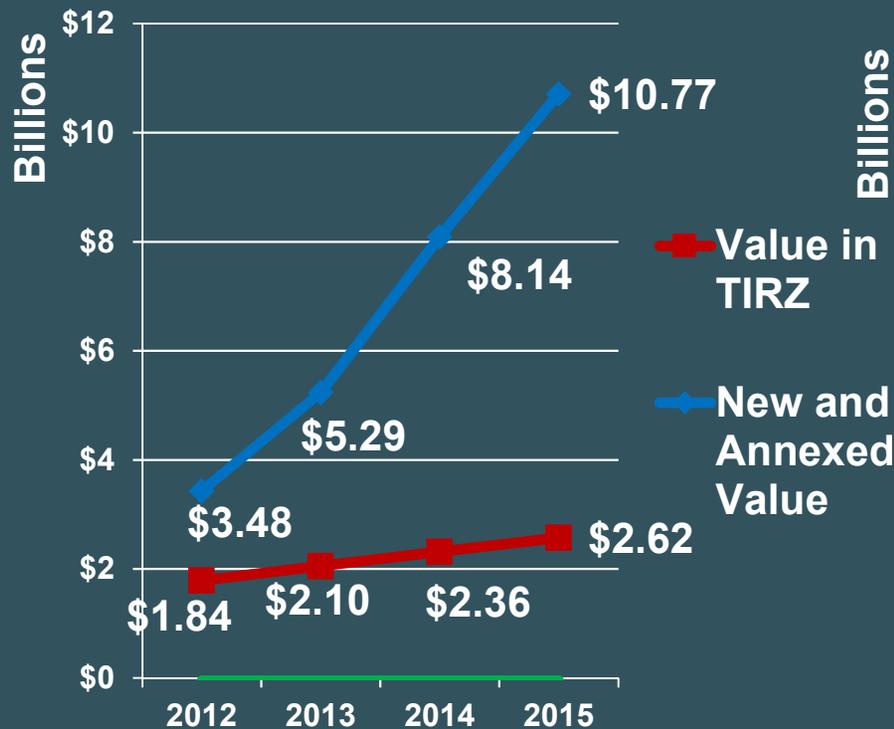
Source: Property value and tax rate data provided by Harris County Tax Office from the Effective and Rollback Tax Rate Worksheets. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

TRUTH IN TAXATION: PROPERTY EXCLUDED FROM THE ROLLBACK CALCULATION 2012-2015

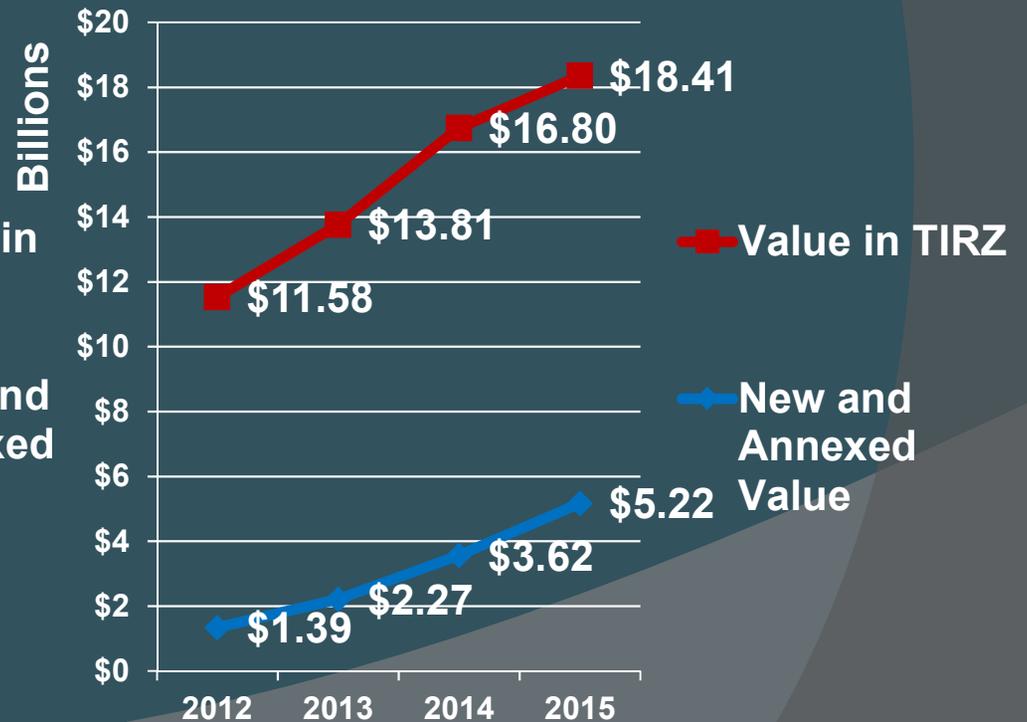
City of Houston and Harris County

When calculating their rollback and effective tax rates, taxing units are allowed to exclude the value of new property, property in reinvestment zones, and property with over 65 tax ceilings.

Harris County



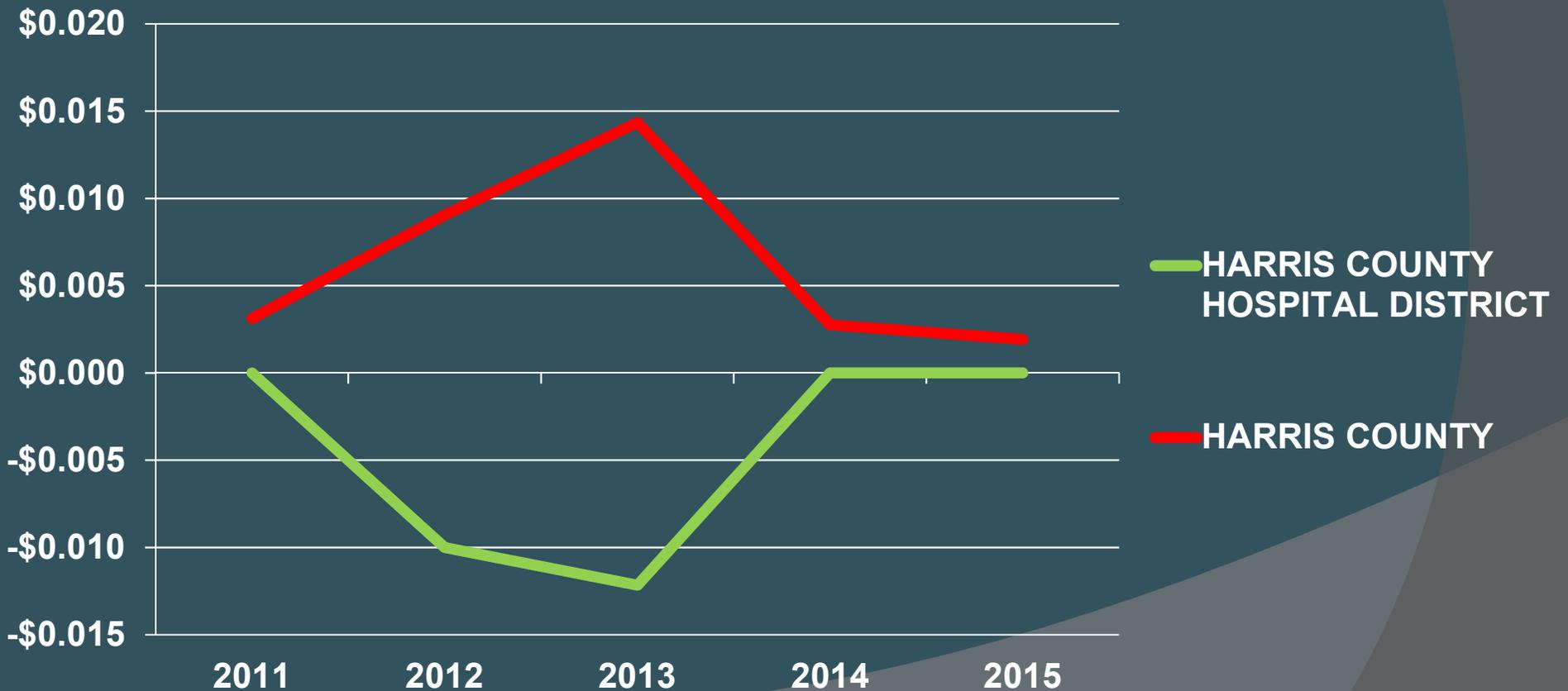
City of Houston



Source: Property value and tax rate data provided by Harris County Tax Office from the Effective and Rollback Tax Rate Worksheets.

Truth in Taxation: Tax Rates 2012-2015 Harris County and Harris County Hospital District

In 2012-2013, the Harris County Hospital District cut their tax rate and Harris County increased its tax rate by a roughly equal amount, shifting the tax burden between taxing units but not reducing it for property owners.



Source: Tax rate data provided by Harris County Tax Office.

Do taxpayers ever get a chance to vote on property tax rates?

For School Maintenance and Operations (M&O) Taxes?

Yes. Generally, if a school district wants to increase their tax rate above \$1.04, they are required to hold an election to get voter approval.

For Interest and Sinking (I&S) Taxes, which are used to repay bonds?

Yes. If a taxing unit wishes to issue bonds backed by property tax revenues, they are required to hold an election to get voter approval.

For City, County, and Special District Maintenance and Operations (M&O) Taxes?

No. If a taxing unit wants to increase their tax rate, they are **NOT** required to hold an election to get voter approval **UNLESS** they exceed the 8% rollback tax rate. Then voters may **PETITION** for a rollback election.

The Rollback rate for Cities, Counties, and Special districts allows tax revenues from existing properties to grow 8% each year. Tax revenue from new property is not counted, meaning the actual rate of revenue growth can be 12% or 13%.

The rollback process for non school taxes is difficult and expensive

For City, County, and Special District Maintenance and Operations Taxes

1. If the governing body of a taxing unit votes to increase their M&O tax rate above the 8% rollback tax rate, voters may petition to have a rollback election.
2. Taxpayers have 90 days to get either:
 - A. 7% of registered voters if the taxing unit collects at least \$5 million in M&O taxes
 - B. 10% of registered voters if the taxing unit collects less than \$5 million in M&O taxes
3. Within 20 days of the petition being submitted, the governing body of the taxing unit must determine if is valid. If they do nothing the petition is considered to be valid.
4. If the petition is valid, a rollback election must be held within 30 to 90 days.
5. If the voters reject the increase, the M&O tax rate is reduced to the 8% rollback rate.

For School Maintenance and Operations Taxes

1. If a school board votes to increase the M&O tax rate, they must hold a tax ratification election in 30 to 90 days.
2. If the voters do not approve the increase, the school board may not adopt a tax rate the exceeds the district's rollback rate.

The rollback process for school taxes is simple and doesn't require taxpayers to spend their own money on a petition drive.

How many signatures does it take to get 7%?

- For taxing units with more than \$5 million per year in property tax revenues, 7% of registered voters must sign a petition to trigger a rollback election.
- Voters must submit the petition to the taxing unit's governing body within 90 days of the tax rate adoption

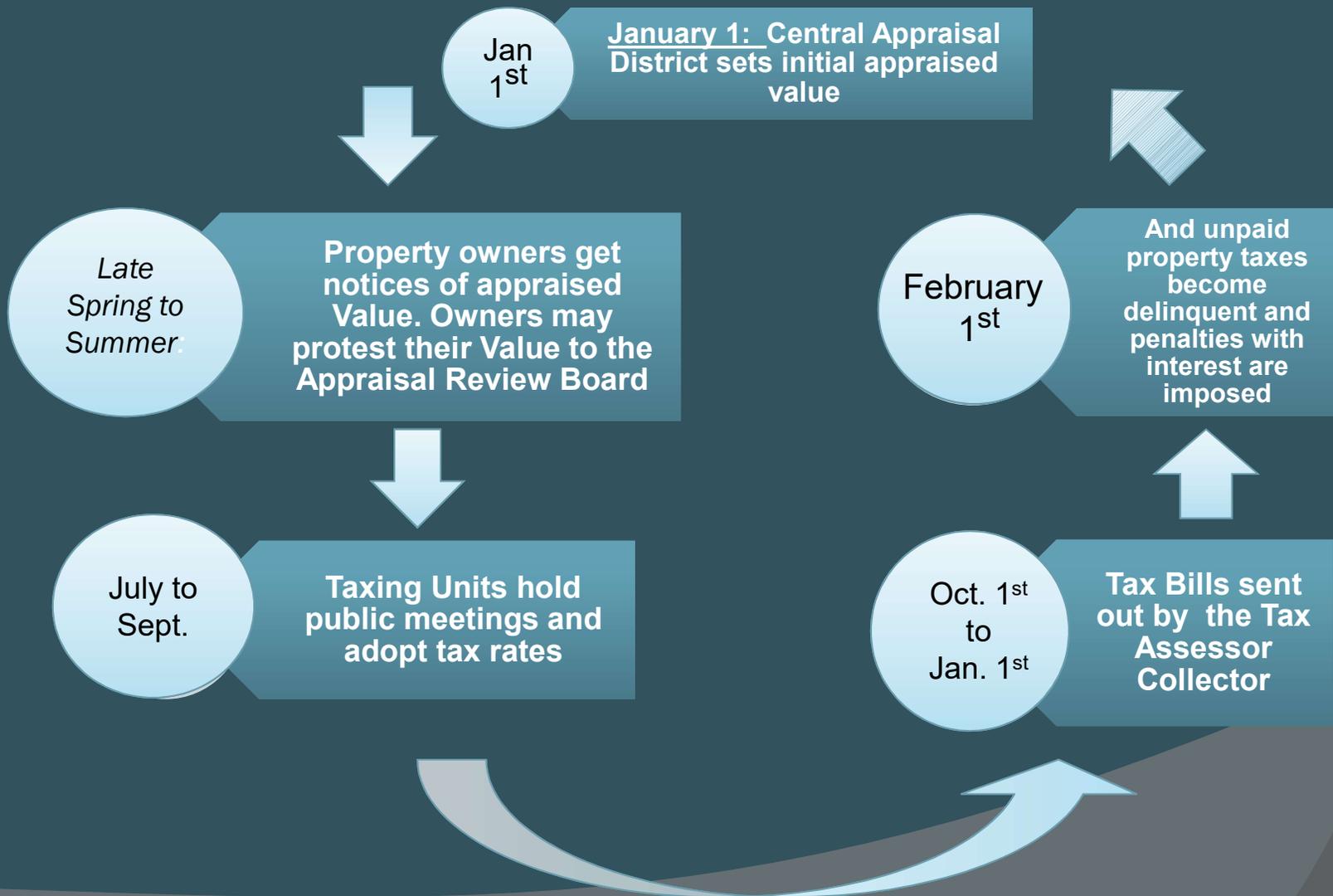
		Registered Voters	7% Petition Threshold
City	Houston	1,418,757	99,313
County	Harris	2,102,820	147,197

Source: Texas Secretary of State

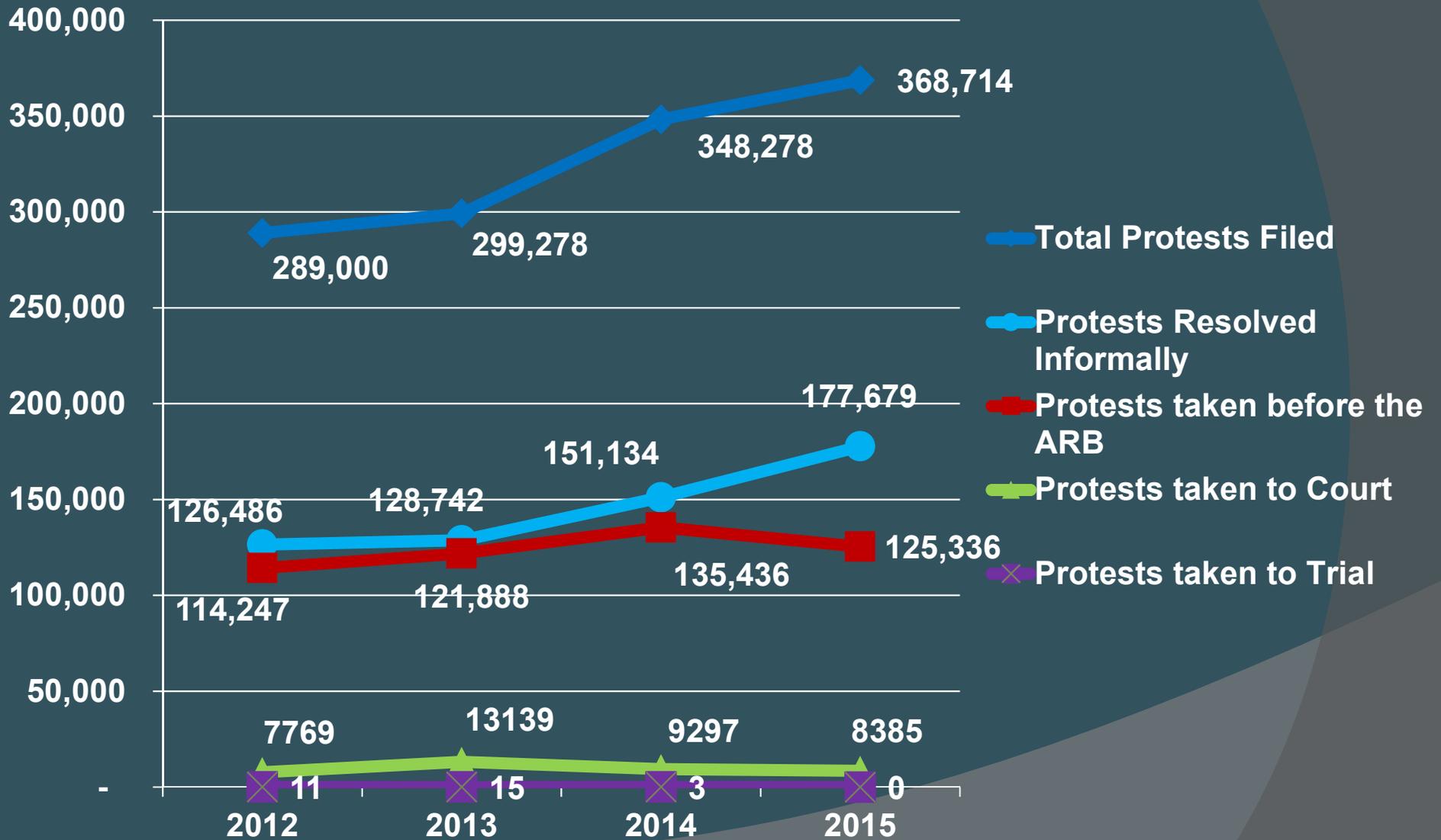
Note: County totals are as of March 2016, City totals are unofficial

The automatic rollback process for school taxes is simple and doesn't require taxpayers to spend their own money on a petition drive. An election is required when tax rate increases exceed the rollback rate

The Property Tax Cycle

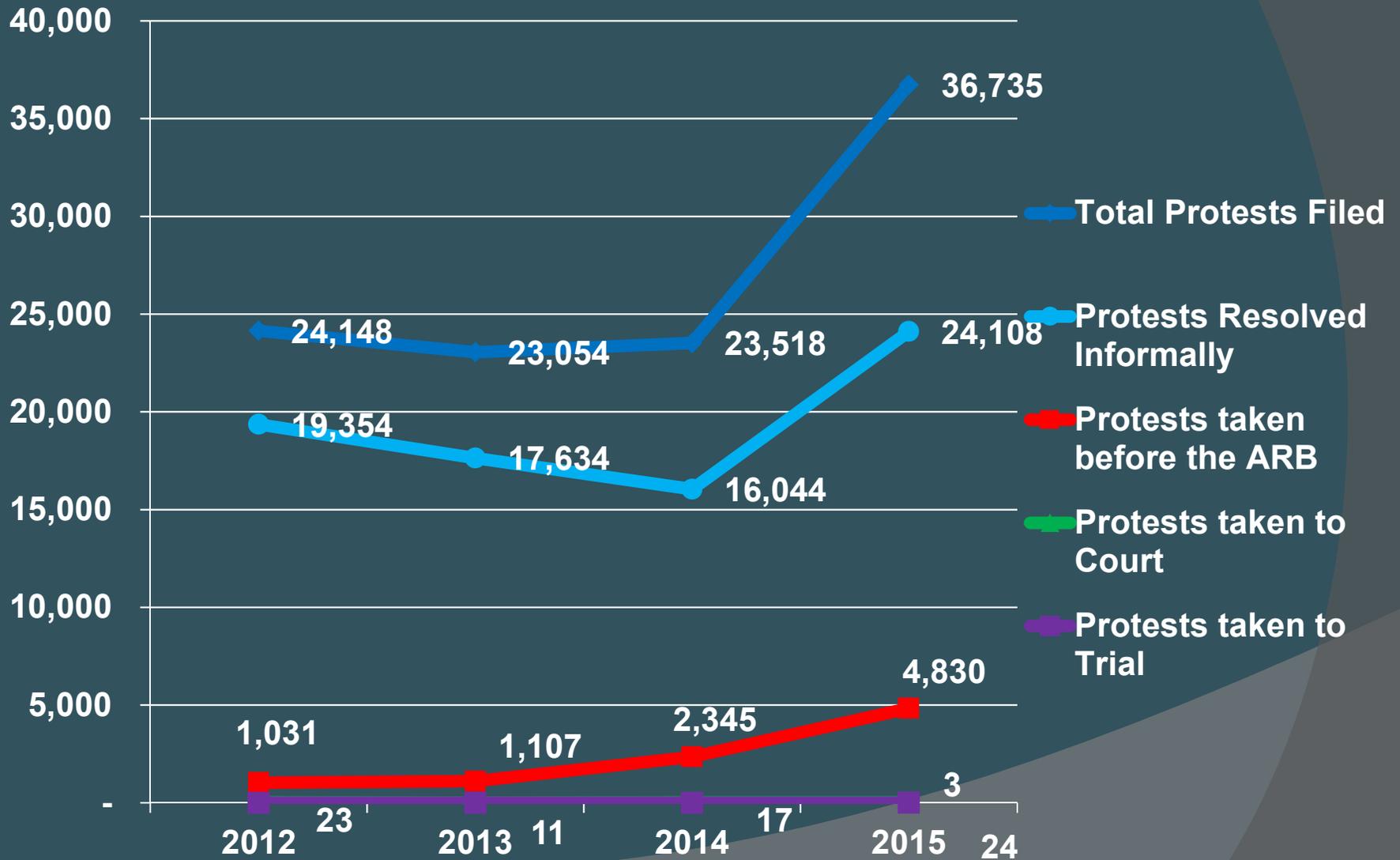


THE PROPERTY TAX PROTEST PROCESS: Data from Harris County



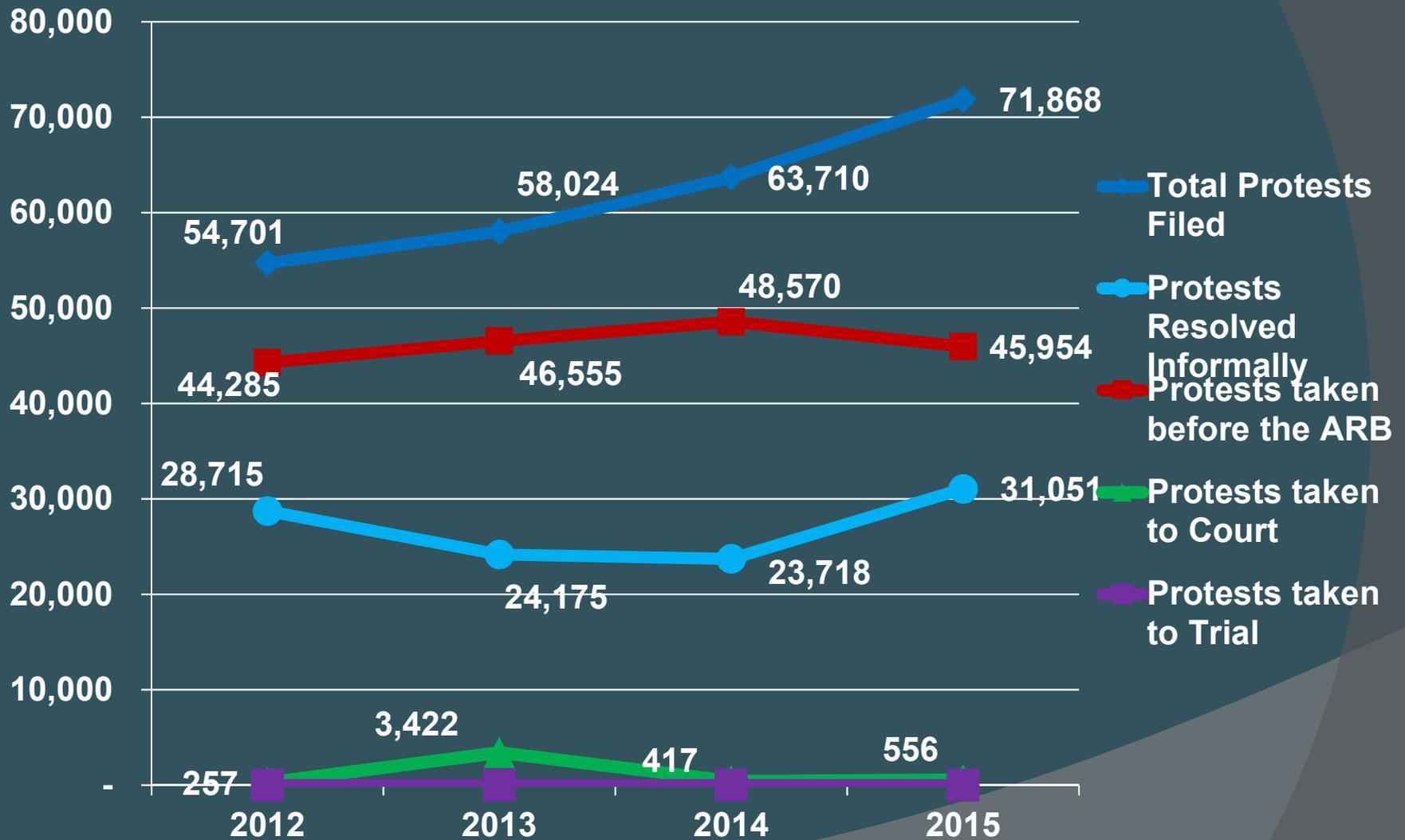
Source: Source: Protest data provided by Dallas Central Appraisal District

THE PROPERTY TAX PROTEST PROCESS: Data from Galveston County



Source: Source: Protest data provided by Galveston Central Appraisal District

THE PROPERTY TAX PROTEST PROCESS: Data from Fort Bend County



Source: Source: Protest data provided by Fort Bend Central Appraisal District



Senate Select Committee for Property Tax Reform & Relief



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Live Webcast : <http://www.senate.state.tx.us/75r/Senate/events.php>